

IMMEDIATE RELEASE
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KENNEDY AND COLLEAGUES FIGHT BUSH'S DECISION ON DAVIS BACON

Washington, DC: Today Senator Edward Kennedy and his colleagues introduced a bill to rescind the President's suspension of the Davis Bacon law to ensure that men and women of the Gulf Coast get paid a fair wage as they rebuild the region. On September 8, President Bush suspended Davis-Bacon for contracts related to Katrina, ending prevailing wage protection for thousands of construction workers. Kennedy's bill would stop the President's unfair action.

"The winds of Katrina exposed to all of America just how much more work is to be done to achieve equality and fairness in this country. We are a stronger country when we are a fairer country. Yet, as the Administration awards billions of dollars in contracts to many of their corporate friends, they decide that the men and women of the Gulf Coast don't deserve to be paid a fair wage. The victims of Katrina have lost everything, and now President Bush says it is okay for them to lose their fair wages too. This is blatantly unfair -- and we're fighting it," Senator Kennedy said.

As many as 1 million workers may become jobless, with the unemployment rate reaching 25% or higher in the Gulf region. Many of the good new jobs created will be in the recovery and rebuilding of the area.

Below is a fact sheet on Davis Bacon and the impact of Bush's action:

PRESIDENT BUSH HURTS WORKING AMERICANS BY SUSPENDING DAVIS-BACON WAGE PROTECTIONS

On September 8, 2005, President Bush issued a proclamation stating that federal construction contractors operating in the areas of hurricane recovery would be exempt from the prevailing wage protections of the Davis-Bacon Act. The Davis-Bacon Act has ensured since 1931 that workers earn local wages on federally-funded construction contracts.

Senator Kennedy is introducing the Fair Wages for Katrina Recovery Workers Act to reverse the President's suspension and ensure that the workers involved in the recovery and reconstruction effort will earn a prevailing wage.

- Many people harmed by Hurricane Katrina were already struggling to make ends meet, and the jobs and businesses they relied on have disappeared.

- Experts have said that from 400,000 to 1 million workers may become unemployed as a result of the hurricane, with the unemployment rate reaching 25% or higher in the Gulf region. Many affected workers will be unemployed for nine months or longer.

- Mississippi and Louisiana rank 1st and 2nd among states by the percentage of people below the poverty line. Moreover, Mississippi and Louisiana rank 2nd and 3rd by the percentage of children below the poverty line.

- Haven't these workers and their families along the Gulf Coast suffered enough? We are providing hundreds of billions of dollars in relief, and we should be sure that it goes toward decent wages for workers as they work to rebuild the vital infrastructure that is so desperately needed.

- These new jobs in the clean-up, recovery, and rebuilding of the area will be a major source of new employment, and we need to be sure that they pay decent wages.

- This is all that Davis-Bacon does: it simply ensures that workers on federal government projects earn a typical wage. Otherwise the large size of federal contracts can overwhelm a local labor market, and lead to bidding wars that drive wages down. Indeed, Representative Davis and Senator Bacon were Republicans who wanted to protect local contractors, who would not be able to compete in such a price war.

- Workers who take these jobs will already face special hazards. Each day the Administration reveals more details about workers' exposure to elevated levels of e.coli, toxic chemicals from

flooded Superfund sites, and contaminants from massive oil spills.

- Yet the President seems determined to use this disaster to advance his anti-worker agenda. He apparently believes that workers in Louisiana, Mississippi, and Alabama and parts of Florida don't even deserve to earn a decent wage for a day's work.

- He would have you believe that Davis-Bacon wages are exorbitant—nothing could be further from the truth. Indeed, in areas affected by Katrina, some typical wages include:

- o \$9.16 per hour for Sheet Metal Workers in Pearl River County, Mississippi
- o \$10.00 per hour for laborers in Livingston Parish, Louisiana.
- o \$8.54 hour for truckdrivers in Mobile County, Alabama

(Additional examples of Davis-Bacon prevailing wages can be found at <http://www.gpo.gov/davisbacon/allstates.html>.)

- The President has the authority to suspend Davis-Bacon in times of emergency, but this authority has been exercised only three times before in our nation's history: in fact, President Bush declined to exercise it after September 11th.

- Federal spending post-Hurricane Katrina should be lifting workers up, not forcing them into a race to the bottom; we should not be using federal funds to lower wage rates.

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